



STEWART BRIEF

Advantages of Owning a Home

The decision to purchase a new home brings a sense of financial integrity and stability. Whether it's a place to make your own, more space for a growing family or an investment opportunity, the home-buying process is an exciting time. One of the biggest motivations for buying your home is financial security. Buying a home is a sound financial decision for a number of reasons.

Accumulation of Equity

When you buy your house and pay your monthly mortgage, you can gradually accumulate what lenders call equity. Equity is an ownership interest in the property that you can convert into cash by borrowing against it or by selling your house. As a renter, you lose the opportunity to build equity. As a homeowner, paying your mortgage can help you attain financial freedom.

Stable Housing Costs

Another advantage to homeownership is that mortgage payments can remain unchanged throughout the life of your mortgage. Renters may face an increase in rent payments year after year. With a fixed rate mortgage, your monthly payments remain the same over the years as other costs of living can increase over time due to inflation. As a homeowner, you have the advantage of knowing what your housing costs will be far into the future.

Increased Value

Houses typically increase in value, or appreciate, over time. It's not unusual to find a house that sold for \$150,000 fifteen years ago to be valued as much more today. Appreciation is like money in the bank to you as the homeowner.

Tax Benefits

As a homeowner, you will enjoy significant tax breaks that are not available to renters. The most important tax benefit of homeownership is that interest paid on your home mortgage is usually deductible. This fact alone can save you a substantial amount each year in federal income taxes.

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